

## Management's Discussion and Analysis

### For the Three Months Ended March 31, 2017

(Expressed in Canadian dollars, unless otherwise noted)

May 25, 2017

*For further information on the Company, reference should be made to its public filings on SEDAR at [www.sedar.com](http://www.sedar.com). Information is also available on the Company's website at [www.alxuranium.com](http://www.alxuranium.com). This Management's Discussion and Analysis ("MD&A") should be read in conjunction with condensed interim consolidated financial statements for the three months ended March 31, 2017 and the audited consolidated financial statements for the year ended December 31, 2016, and related notes thereto which have been prepared in accordance with International Financial Reporting Standards. The MD&A contains Forward Looking Statements which are provided on Page 32.*

## OVERVIEW

ALX Uranium Corp. ("ALX") is a junior resource issuer, primarily engaged in the acquisition, exploration, and development of uranium properties within the Athabasca Basin in Saskatchewan, Canada. The Company's primary goal is to identify, evaluate and acquire uranium properties and to advance them by way of equity financing, joint ventures, option agreements or other means.

ALX was incorporated on October 11, 2007 under the Business Corporations Act of British Columbia under the name "Cats Eye Capital Corp." Originally listed as a Capital Pool Company ("CPC"), the Company completed its initial public offering and was listed on the TSX Venture Exchange (the "TSX-V") on May 6, 2008. The Company completed its Qualifying Transaction in August 2010 and changed its name to Lakeland Resources Inc. The Company resumed trading on the TSX-V as a Tier 2 Mining Issuer on August 19, 2010, under the symbol "LK". On September 24, 2015, the Company consolidated their outstanding shares on the basis of one post-consolidated share for every 3 pre-consolidated shares. All share values referenced in this MD&A are post-consolidation. In addition, the Company completed a Plan of Arrangement with Alpha Exploration Inc. ("Alpha") and acquired all of the common shares of Alpha (see "Transaction with Alpha Exploration Inc."). The Company is currently listed on the TSX-V under the symbol "AL", and is also listed in Germany on the Frankfurt Stock Exchange ("FSE") under the symbol "6LLN" and quoted on the OTCBB in the United States of America under the symbol "ALXEF".

The Company's head office is located at 408 – 1199 West Pender Street, Vancouver, BC, V6E 2R1.

## OUTLOOK AND STRATEGY

- To build one of the strongest portfolios of uranium properties in the Athabasca Basin;
- To spend capital and exploration dollars wisely, to make new discoveries, and delineate new uranium resources;
- To work with committed and long-term partners and investors; and
- To build a focused, motivated, and hardworking team with diverse skills and backgrounds, and an overriding commitment to build shareholder value.

## HIGHLIGHTS

### *Year-to-date 2017*

- On January 16, 2017, the Company granted 1,275,000 stock options to directors, officers, employees, and advisors of the Company with an exercise price of \$0.135 and expiring in 5 years. These options will vest as follows: one-third immediately, one-third in six months and one-third one year from the grant date.
- On January 17, 2017, the Company announced that it received notice from Denison of its 2017 uranium exploration plans on the Hook-Carter Property. The 2017 exploration plans include initial ground resistivity and electromagnetic surveying during the winter season, followed by a reconnaissance five-hole diamond drill program (2,700 metres) during the summer months. Work is expected to be focused on the southwestern portion of the property, where Athabasca sandstone thicknesses vary between 250 and 450 metres.
- On January 19, 2017, the Company announced its 2017 uranium exploration plans on the Gorilla Lake Property. The 2017 exploration would include a four-hole diamond drilling program totalling approximately 1,000 metres during the winter season with work focused on the northern portion of the property.
- On February 10, 2017, the Company announced that Mr. Mark Lackey had resigned as President, Chief Executive Officer and as a Director of ALX, effective February 8, 2017, for personal reasons and that Mr. Robert (“Sierd”) Eriks, Vice-President, Exploration of ALX had accepted the position of interim President and CEO of the Company.
- On February 27, 2017, the Company announced that a diamond drilling program had commenced at the Gorilla Lake Property. The 2017 drilling program was planned to include four holes totalling approximately 1,000 metres. Work would be focused on the northern portion of the property to follow up on historical basement-hosted uranium mineralization and would also test an airborne electromagnetic anomaly approximately 1,500 metres south of Gorilla Lake coincident with a magnetic “button” anomaly within a distinct northeast-southwest striking gravity low.
- On March 29, 2017, the Company announced that a deep-penetrating induced polarization/resistivity (“IP/resistivity”) survey had commenced at its Newnham Lake Property. The 2017 ground IP/resistivity survey would consist of 92.5 line-kilometres across the most prospective areas outlined by previous work at a cost of approximately \$500,000.
- On April 27, 2017, the Company announced the passing of Benjamin (“Ben”) Ainsworth, a founding director of the Company.
- On May 2, 2017, the Company announced the results of the 2017 winter diamond drilling program at the Gorilla Lake Property. The drilling program consisted of four holes totalling 1,116 metres. Three holes were drilled in the northern portion of the property to follow up on historical basement-hosted uranium mineralization. In addition, one hole tested an airborne electromagnetic anomaly approximately 1,500 metres south of Gorilla Lake coincident within a distinct northeast-southwest striking gravity low. Three of the 2017 drill holes showed narrow intervals containing anomalous values of uranium and other pathfinder elements as well as elevated radioactivity.
- On May 15, 2017, the Company announced that David Miller has joined the board of directors. Mr. Miller is a recognized expert in the nuclear and energy field and also serves as the Majority Floor Leader of the Wyoming House of Representatives. The company granted 400,000 stock options exercisable at \$0.10 for period of five years as part of his appointment.
- On May 25, 2017, the Company announced the completion of a ground IP/resistivity geophysical survey at the Newnham Lake Property. The survey consisted of a total of 100 line kilometres across the most prospective areas to a depth of 700 metres. The data will be compiled into a 3D model to guide a 3,000 metre drill program planned for the summer.

### *Fiscal Year 2016*

- On January 21, 2016, the Company announced that its Board of Directors had approved programs and budgets for surface exploration in the winter and summer of 2016 at five projects: Hook-Carter Property, Gorilla Lake Property, Lazy Edward Bay Property, Perch Property, and Newnham Lake Property.
- On January 29, 2016, the Company announced the closing of the second tranche of a non-brokered private placement, consisting of 4,195,000 Units at \$0.05 for gross proceeds of \$209,750. Including the proceeds of the first tranche announced on December 31, 2015, a total of \$358,500 was raised in the financing.

- On February 25, 2016, the Company announced that it entered into a purchase and sale agreement with Cameco Corporation. The sale included 27 mineral claims near the Hook-Carter Property. The Company received a cash payment of \$170,000 for the mineral claims. The Company also announced the results of the late fall drilling program at the Gibbons Creek Property.
- On March 7, 2016, the Company entered into an agreement with Holystone Energy Company Limited (“Holystone”) for a three year strategic partnership. Under the terms of the agreement, Holystone will subscribe to 12,500,000 common shares at a price of \$0.06 per share with no warrants, be granted the right to participate in future financings to maintain their pro-rata ownership interest, and appoint one representative to the Board of Directors.
- On March 9, 2016, the Company provided an update to the exploration activities at the Hook-Carter Property.
- On March 15, 2016, the Company closed the first tranche of its private placement with Holystone, by issuing 5,300,000 common shares at a price of \$0.06 per share for gross proceeds of \$318,000.
- On March 15, 2016, Dr. Howard Haugom from Holystone was appointed as an Advisor to the Board of Directors.
- On March 23, 2016, the Company announced the completion of a geophysical program at the Hook-Carter Property.
- On March 30, 2016, the Company announced it had completed an extension to geophysical surveys carried out in February 2016 at its Gorilla Lake Property.
- On April 7, 2016, the Company announced that a follow up radon-in-water sampling program had been completed at its Lazy Edward Bay Property.
- On April 13, 2016, the Company entered into two agreements with Ryan Kalt (the “Vendor”), to acquire a 100% right, title and interest in and to mineral claims in the North and South Carter Corridor Properties. In consideration, the Company issued an aggregate of 250,000 common shares with a fair value of \$27,500. The Properties are each subject to a 2.5% net smelter return royalty payable by the Company to the Vendor, calculated on a quarterly basis.
- On May 5, 2016, the Company announced a non-brokered private placement for gross proceeds of up to \$1,000,000, consisting of up to 4,000,000 Flow-Through Units (“FT Units”) at \$0.125 per FT Unit and up to 5,000,000 ordinary Units (“Units”) at \$0.10 per Unit.
- On May 16, 2016, the Company closed the first tranche of its non-brokered private placement announced on May 5, 2016, consisting of 300,000 Flow-Through Units (“FT Units”) at \$0.125 per FT Unit and 2,175,000 ordinary Units (“Units”) at \$0.10 per Unit for gross proceeds of \$255,000 (with \$9,000 being recognized as a liability for flow-through shares).
- On June 23, 2016, the Company closed the second tranche of its non-brokered private placement announced on May 5, 2016, consisting of 230,000 Flow-Through Units (“FT Units”) at \$0.125 per FT Unit and 650,000 ordinary Units (“Units”) at \$0.10 per Unit for gross proceeds of \$93,750 (with \$5,750 being recognized as liability for flow-through shares).
- On June 23, 2016, the Company closed the second tranche of its private placement with Holystone, by issuing 7,200,000 common shares at a price of \$0.06 per share for gross proceeds of \$432,000.
- On June 23, 2016, the Company announced it had entered into agreements with Eagle Plains Resources Ltd. (“Eagle Plains”), comprising a transaction consisting of a property swap whereby ALX would purchase 100% interest in several mineral claims located in the Athabasca Basin, Saskatchewan and ALX would sell 100% interest in the Donna mineral claims located in south-central British Columbia.
- On June 27, 2016, the Company issued 133,333 common shares with a fair value of \$12,667 in accordance with the acquisition agreement of the South Pine Property.
- On July 22, 2016, the Company granted 1,275,000 stock options (900,000 of which were issued to Directors and Officers) with an exercise price of \$0.10 and expiring in 5 years. These options will vest as follows: one-third immediately, one-third one year from the grant date, and one-third two years from the grant date.
- On July 22, 2016, the Company announced that Mr. Lon Shaver had joined the Company’s Advisory Board.
- On August 9, 2016, the Company announced an update on its exploration activities for the Perch and Hook-Carter Properties.
- On August 9, 2016, the Company announced that Galena International Resources Inc. (“Galena”) had executed a Letter of Intent with the Company to acquire a 100% interest in the Mikwam Property (“Mikwam”) for a cash payment of \$20,000 and the issuance of 2,000,000 common shares of Galena. On September 28, 2016, Galena filed a Notice of Civil Claim to require the Company to close the transaction for Mikwam on the terms set out in the Company’s news release of August 9, 2016.

- On August 11, 2016, the Company received notice of termination of the Midas Gold Property option with New Dimension Resources.
- On October 13, 2016, the Company announced a definitive agreement with Denison Mines Corp. (“Denison”) for Denison to acquire an immediate 80% ownership of the Hook-Carter property in exchange for 7,500,000 common shares of Denison. The sale of the property was completed on November 7, 2016.
- On October 24, 2016, the Company announced it had entered into a purchase and sale agreement with Miramont Capital Corp. (“Miramont”) for Miramont to acquire a 100% interest in the Midas Gold Property, by paying \$200,000 and issuing 1,000,000 common shares (\$30,000 plus 100,000 common shares received) in staged payments prior to December 31, 2018.
- On October 26, 2016, the Company announced that Mr. Mark Lackey had joined the Company as a Director, President, and CEO of the Company following the resignation of Mr. Jon Armes.
- On November 9, 2016, the Company granted 400,000 stock options exercisable at \$0.10 per share for five years from issuance, with certain vesting provisions.
- On November 9, 2016, the Company announced the appointment of Mr. Roger Leschuk as Vice-President, Corporate Development.
- On November 29, 2016, the Company announced it has entered into a Property Option Agreement with Galena International Resources Ltd. in settlement of ALX’s and Galena’s dispute with respect to the acquisition of the Mikwam Property.
- On December 1, 2016, the Company announced the appointment of Mr. Warren Stanyer as Chairman of the Company, Mr. Patrick Groening as Chief Financial Officer and Ms. Christina Boddy as Corporate Secretary of the Company.
- On December 12, 2016, the Company announced it has closed the Property Option Agreement with Galena International Resources Ltd with respect to Galena’s acquisition of the Mikwam Property. Galena holds the right to acquire a 100% interest (subject to certain royalty interests and encumbrances) in the Mikwam property in consideration of making aggregate cash and share payments to ALX over a period of three years as follows: CAD \$25,000 and issue 2,000,000 common shares on closing of the transaction; CAD \$50,000 or, at Galena’s election, issue 500,000 common shares on or before the first anniversary of the Option Agreement; CAD \$75,000 or, at Galena’s election, issue 750,000 common shares on or before the second anniversary of the Option Agreement; and CAD \$100,000 or, at Galena’s election, issue 750,000 common shares on or before the third anniversary of the Option Agreement.
- On December 21, 2016, the Company announced a non-brokered private placement for gross proceeds of up to \$300,000, consisting of up to 3,000,000 Flow-Through Units (“FT Units”) at \$0.10 per FT Unit.
- On December 30, 2016, the Company closed its non-brokered private placement announced on December 21, 2016 consisting of 2,410,000 FT Units at \$0.10 per FT Unit for gross proceeds of \$241,000. Each FT Unit consists of one flow-through common share and one non flow-through common share purchase warrant in the capital of the Company. Each common share purchase warrant is exercisable into one common share of the Company for a period of 24 months from closing of the Offering at a price of \$0.15 per common share.

## URANIUM – DEMAND OUTLOOK

Uranium demand is largely driven by energy demands. As of May 15, 2017, the current spot price of uranium is approximately US\$21.50/lb U<sub>3</sub>O<sub>8</sub> (Source: UxC) and there are currently approximately 447 nuclear reactors in operation world-wide. Global electricity demand is expected to grow significantly through 2030 and the number of nuclear reactors is rising to meet it. A total of 59 new reactors are now under construction – new build levels not seen since the 1970s – as well as an additional 170 planned and 372 proposed to 2030 (Source: World Nuclear Association). The bulk of the new units are in five countries – China, India, Russia, South Korea and the USA. Several near term catalysts for the uranium market include (i) increased clarity on Japanese restarts; (ii) further supply destruction due to the low spot price environment; and (iii) increased buying and resumption of long-term contracting by utilities (Source: Raymond James).

The following is a list of selected countries with planned, proposed, or under construction nuclear plants as of May 1, 2017:

Country	Construction	Planned	Proposed	Total
China	21	41	174	236
India	5	20	44	69
Russia	7	26	22	55
USA	4	16	16	36
Saudi Arabia	0	0	16	16
Japan	2	9	3	14
UAE	4	0	10	14
Ukraine	0	2	11	13
United Kingdom	0	11	2	13
South Korea	3	8	0	11
Turkey	0	4	8	12
Others	13	33	66	112
<b>Total</b>	<b>59</b>	<b>170</b>	<b>372</b>	<b>601</b>

Source: World Nuclear Association Website – [www.world-nuclear.org](http://www.world-nuclear.org) (As of May 1, 2017)

## URANIUM – MARKET OUTLOOK

In the near term management believes there are significant potential catalysts for investors to take note of:

### *Restart of Japanese reactors*

After the events of Fukushima, the Japanese government immediately put the brakes on their nuclear industry, the third largest in the world, shutting down its entire 54-reactor fleet and pausing to consider whether to abandon nuclear.

This had a two-fold effect on the uranium market as it took a significant amount of demand off the market and also created a newfound supply as plants had expanding inventories to destock. Recently, the Japanese have elected the relatively pro-nuclear Liberal Democratic Party.

Several utilities/reactors have recently applied for restarts. Since the Japanese fleet was mothballed, the cost to substitute fossil fuels (oil, LNG, coal, etc.) for the idled reactors has been estimated at more than US\$300M/day, or US\$100bn a year. In some Japanese industries, electricity bills have risen fivefold. Japanese utilities have posted net losses since the nuclear shut down, with some needing aid to cover importing fossil fuels.

Though still politically sensitive, in light of rising energy prices and greenhouse gas emissions and to keep its industries competitive on the global stage, the likelihood of continued Japanese restarts appears to be growing. With Japanese reactors back online, this will help to reverse the process that helped to bring uranium prices down; albeit timing for restarts is still in debate.

### *New production requires higher prices*

With the global reactor build continuing unabated, more uranium will be needed moving forward. The current spot price does not provide enough incentive to bring many new projects, especially conventional projects, online.

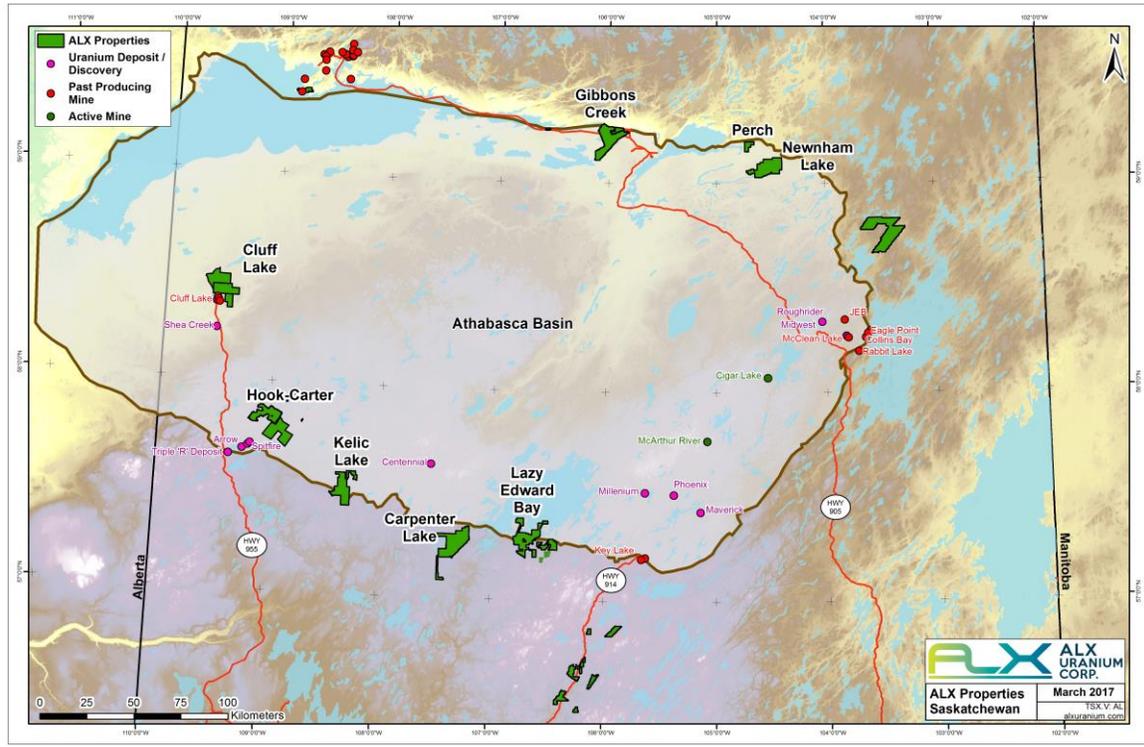
With the low uranium prices over the last couple of years, BHP, Cameco, AREVA and ARMZ all announced cancellations or delays of projects due to economics. A recent report by J.P. Morgan estimates that a price of over \$80/lb U<sub>3</sub>O<sub>8</sub> is needed to incentivize new conventional projects. In order to bring new projects on stream to meet growing demand, prices need to rise.

According to the International Energy Agency, global demand for electricity is expected to be 84% higher in 2035 than in 2009, mainly driven by emerging markets. To fuel global demand, more reactors will be required as part of the energy mix.

## ATHABASCA PROPERTIES

ALX Uranium Corp. has 140,000+ hectares (“Ha”) of exploration properties in the Athabasca Basin (See Figure 1)

**Figure 1**  
**Athabasca Basin Uranium Properties - Northern Saskatchewan**



### ***Gibbons Creek Property***

The Gibbons Creek Property (“Gibbons Creek”) is comprised of seven claims totalling 13,864 hectares (34,259 acres). Gibbons Creek is located less than three kilometres from the community of Stony Rapids Saskatchewan. The property is adjacent to the Black Lake Project held jointly by UEX Corporation (“UEX”) and AREVA Resources Canada Inc. (“AREVA”). The property benefits from nearby infrastructure, with power lines and highways transecting the claims. The depth to the unconformity at Gibbons Creek is known to be shallow (i.e. ~50 to 250 metres) increasing the economics of exploration. The property also benefits from a significant database of historical exploration information from work completed by UEX Corporation as well as Eldorado Nuclear (one of the two predecessors to what is now Cameco Corporation).

During the year ended December 31, 2014, ALX developed several drill targets at Gibbons Creek based on a fall 2013 exploration program that included a land-based radon survey carried out by RadonEx Ltd. (“RadonEx”) of St-Lazare, Quebec, a boulder prospecting survey and a DC-Resistivity survey.

This exploration resulted in the discovery of highly significant radon values, the confirmation of high-grade boulders containing up to 4.28% U<sub>3</sub>O<sub>8</sub> and the definition of an east-west resistivity low interpreted as an alteration corridor.

On March 12, 2015, the Company announced the completion of a Phase 1 drilling campaign consisting of 14 holes totalling 2,550 metres, at the Gibbons Creek/Star Property(s). In total, four drill holes encountered anomalous radioactivity near the sub-Athabasca unconformity.

On May 1, 2015, the Company reported drilling results from the Gibbons Creek Property. Drill hole GC15-03 intersected 0.13% U<sub>3</sub>O<sub>8</sub> over 0.23 metres, within a 1.1 metre interval of 333.8 ppm uranium immediately below the sub-Athabasca unconformity. Uranium enrichment, strong hydrothermal alteration and pathfinder geochemistry (B, Co, Ni) were noted lower in hole GC15-03 between a depth of 106.8 m and 133.0 m. Drill hole GC15-06 encountered strongly altered basement lithologies including strongly hematized quartz-carbonate-chlorite alteration and brecciation. Highly anomalous geochemical pathfinders were noted throughout the hole, including a zone of uranium enrichment from approximately 41.0 to 109.5 m. Elevated boron values were returned from samples collected approximately six metres below the unconformity with up to 1,213 ppm B over a 3.9 m interval from 52.8 to 56.7 m within a wider zone of anomalous boron from 41.0 to 72.8 m. Highly anomalous nickel (up to 0.19%) and cobalt were also noted within this hole.

On November 12, 2015, the Company provided an exploration update on its Gibbons Creek Property. A gravity survey was completed on the property with the objective of providing coverage across the expanded radon anomaly (approximately 1,200 metres by 500 metres) at the Centre Zone. In addition, coverage was expanded to the south where a previous ground gravity survey was completed at the South Zone in the winter of 2015.

The gravity survey identified a saddle-like depression centered within a gravity high located directly beneath the central portions of the radon anomaly. Additional distinct and closed gravity lows were identified approximately 500 metres north of hole GC15-03 which intersected 0.13% U<sub>3</sub>O<sub>8</sub> over 0.23 metres.

The exploration target at the Centre Zone possesses the following attributes:

- A surface radon anomaly encompassing an area of approximately 1,200 metres by 500 metres;
- Peak radon values ranging between 4 and 10.77 pCi/m<sup>2</sup>/sec at 10 locations, which are amongst the highest recorded values in the Athabasca Basin;
- A coincident DC-resistivity low anomaly;
- A saddle-like depression (gravity low) located within the central part of the anomaly;
- Depth to the sub-Athabasca unconformity is estimated at only 40 to 70 metres; and
- Diamond drill hole GC15-06 located at the edge of the currently known radon anomaly, which encountered strongly altered basement lithologies and anomalous geochemical pathfinders within the sandstone and basement.

On December 1, 2015, the Company announced the commencement of a diamond drilling program on the Gibbons Creek Property based on the integration of previous work including ground gravity surveys completed in February and October 2015, radon surveys completed in 2013 and 2015, a DC Resistivity survey completed in 2013 and a historical airborne EM survey in 1979. The drilling program was planned to consist of six to eight holes totalling

approximately 1,200 to 1,500 metres to follow up on encouraging results from the winter program completed in March, 2015.

On February 25, 2016, the Company announced the results of the late fall 2015 diamond drilling program at its Gibbons Creek Property. A total of 1,005 metres of drilling were completed in seven holes (GC15-12 to GC15-18). Drilling was focused on a large surface radon anomaly coincident with a resistivity low and the saddle of a gravity low. No significant radioactivity was intersected during the drilling program. However, anomalous uranium (up to 297 ppm), nickel (up to 793 ppm), copper (up to 230 ppm) and boron (up to 800 ppm) were returned from the basement in hole GC15-12, located near previous drill hole GC15-06, which also encountered strongly anomalous geochemical pathfinders (B, Pb, Ni, Co, Cu) within both the sandstone and alteration within the basement lithologies.

#### ***Kelic Lake Property (acquired from Alpha)***

The Kelic Lake Property was originally comprised of five optioned mineral claims, which covered approximately 8,604 hectares (21,261 acres) located along the inferred southern margin of the Athabasca Basin approximately 50 km east of Highway 955 and 130 km northeast of La Loche, Saskatchewan. An additional contiguous mineral claim totalling 1,452 hectares (3,589 acres) was staked north of the original five claims on July 3, 2015. On June 23, 2016, the Company acquired a 100% interest in three mineral claims located in the Kelic Lake area totalling 1,573 hectares (3,886 acres) from Eagle Plains Resources Ltd. The Kelic Lake Property now comprises nine mineral claims totalling 11,629 hectares (28,736 acres).

On October 14, 2014, the Company announced that CGG Canada Services Ltd. (“CGG”, formerly Fugro Geoservices Ltd.) had completed an airborne magnetic and radiometric survey over the Kelic Lake Property in October 2014. The survey included 1,200 line-km at 100 metre line spacing covering an approximate 10×10 km grid area. A final report from CGG on the airborne magnetic and radiometric survey results was received and has been filed for assessment with the Government of Saskatchewan.

CGG also performed a FALCON® airborne gradiometer gravity survey over the Kelic Lake grid, which included magnetic and laser scanning digital elevation components. The survey was completed February 3, 2015. A final report from CGG was received and has been filed for assessment with the Government of Saskatchewan. The airborne magnetic, radiometric and gravity results will be combined with an extensive compilation of geological, geochemical and geophysical data already in hand to refine and prioritize potential drill targets at Kelic Lake.

A radon and soil/stream sediment sampling program was carried out by RadonEx in early September 2015 over known, prospective conductors along the Mirror River in the central portion of the property. A total of 92 Ae horizon soil samples and 52 radon flux measurements were taken at amenable soil sample sites. In addition, 13 stream sediment samples were collected along the Mirror River. Radon gross flux values ranged from 0.09 to 0.64 pCi/m<sup>2</sup>/sec. Geochemical results from soil samples returned uranium values ranging from below detection limits (<2 ppm) to 3 ppm U<sub>total</sub>. Nickel values in soil samples varied from below detection limits (<1 ppm) to 3 ppm and copper values in soil samples ranged from below detection limits (<1 ppm) to 29 ppm. Stream-bottom sediment samples collected along the Mirror River within the survey area showed only two samples contained uranium at the minimum detection limit of 2 ppm. All other samples returned values below the minimum detectable amount of uranium.

On September 29, 2015, the Company announced the commencement of a diamond drilling program based on the integration of previous work as well as the airborne magnetic, radiometric and gravity work. The helicopter-assisted drilling program in the central portion of the property was planned to consist of up to six holes totalling approximately 1,800 metres to test an airborne gravity low in the area of the termination of a major airborne VTEM (Versatile Time Domain Electromagnetic) conductor with coincident ground-based vertical loop EM and TEM conductors striking northeast-southwest. The target area is located approximately one kilometre east of a radioactive spring along a north trending magnetic gradient (contact) of regional extent.

On November 10, 2015, the Company announced the results of the fall diamond drilling program at its Kelic Lake Property. A total of 1,924 metres of drilling were completed in six holes (KL15-001 to KL15-006) collared at five different set-ups. Drill holes were both vertical and inclined. Overburden thickness is approximately 90 metres. Depth to the basement unconformity ranged from 175 to 183 metres (i.e. the average thickness of Athabasca Group sandstone ranged from 85 to 93 metres). Overall, paleoweathering below the unconformity is well developed, up to 23 metres thick in select drill holes.

The drill holes tested airborne gravity and radiometric lows, an airborne VTEM conductor with coincident ground-based fixed loop and TEM conductors as well as a north trending magnetic gradient (contact) of regional extent. Targets were confirmed and show extensive bleaching, desilicification and faulting of the Athabasca Group sandstone, strong hematization of the sandstone just above the unconformity and the intersection of a wide graphitic metapelite in the basement rocks; all excellent indicators of the potential for a nearby uranium mineralizing system. Drilling under winter conditions is both necessary and warranted to follow up these results and completely test the target corridor both across and along the Mirror River oxbow plain.

Although no significant radioactivity was encountered in the drill holes, the integrated exploration target of a large gravity low overlapping northeast-trending conductors was confirmed. This 2015 grassroots drilling program has only begun to test the exploration potential of the Kelic Lake Property, which remains vastly underexplored. The property is considered highly prospective and warrants more extensive follow-up drilling both along and across the target corridor based on the numerous favourable attributes observed in drill core, including:

- Extensive and pervasive bleaching and desilicification of the Athabasca sandstone in all drill holes, from the base of overburden to the unconformity, likely due to faulting;
- Strong pervasive secondary hematization and local chloritization of the Athabasca sandstone just above the unconformity;
- Strong chlorite alteration below the unconformity, including vertical stockwork vein networks of dark green chlorite; and
- Sulfide-bearing graphitic metapelite target was confirmed, generally 50 to 60 metres thick, with locally pervasive secondary graphite.

Expenditures related to the fall drilling program were over \$1,200,000, which has satisfied the terms of the option agreement with the Optionors such that the Company has earned its 100% interest in Kelic Lake. A final report on the fall 2015 drilling program was completed and has been filed for assessment with the Government of Saskatchewan

#### ***Lazy Edward Bay Property***

The Lazy Edward Bay Property until recently consisted of 21 mineral claims totalling 18,916 ha (46,742 acres) at the southern margin of the Athabasca Basin located about 55 kilometres west of the Key Lake Mill and historic mine. On June 23, 2016, the Company acquired a 100% interest in 20 mineral claims located in the Lazy Edward Bay area totalling 10,053 hectares (24,841 acres) from Eagle Plains Resources Ltd. The property now comprises 37 mineral claims totalling 18,576 hectares (45,901 acres).

The Lazy Edward Bay Property is 100% owned by ALX Uranium Corp. and covers several shallow exploration targets. A highlight of the historical work at the Bay Trend is the results of a drilling program conducted by Uranerz Exploration and Mining Limited in 1982. Historical drill hole LE-50 was located approximately one kilometre south of the Athabasca Basin. The hole intersected basement rocks comprised of moderately chloritized and sericitized, and weakly hematized migmatitic, graphitic pelites which returned 908 ppm  $U_3O_8$  over 0.3 metres along with anomalous boron, nickel and other pathfinder metals (Saskatchewan Assessment Report: 74G07-0042). A 2005 airborne Versatile Time Domain Electromagnetic (VTEM) survey conducted by JNR Resources Inc. confirmed the historical conductors, and a follow-up 2007 ground Fixed Loop Transient Electromagnetic (FLTEM) survey refined the conductor location in some areas. The FLTEM targets have yet to be drill tested.

On April 7, 2016, the Company announced that a follow up radon-in-water sampling program had been completed at its Lazy Edward Bay Property. Exploration on the property at the Bay Trend consisted of 143 radon-in-water (RIW) samples collected by RadonEx Ltd. whose Electret Ionization Chamber (EIC) technology has been successful in drill targeting at the Triple R deposit within the Patterson Lake South camp.

The survey was designed to be an extension of the 2014 radon-in-soil program along the conductive corridor of the Bay Trend carried out on land to the southwest. The 2016 reconnaissance-scale survey covered a 1,400 by 450 metre area of Lazy Edward Bay. Grid lines were spaced 200 metres apart with stations spaced 25 metres apart.

The survey resulted in eight highly anomalous one-point samples above 100 picoCuries per litre (pCi/L) including four strong anomalies that are above 200 pCi/L. The anomalous samples are located approximately 200 metres

northeast of historical drill hole LE-50, which returned anomalous uranium (reported at 908 ppm  $U_3O_8$  over 0.3 metres). Many of the anomalous radon samples appear to lie along a northeast-striking linear trend in the central portion of the grid which overlies historical conductors found by previous explorers.

A final report on the 2016 radon survey results was completed and has been filed for assessment with the Government of Saskatchewan.

An additional follow up radon-in-water sampling program was completed in February 2017. The survey consisted of 339 radon-in-water (RIW) samples collected by RadonEx Ltd. using Electret Ionization Chamber (EIC) technology.

The winter 2017 radon-in-water (RIW) survey carried out over Lazy Edward Bay was designed to be an extension of the 2014 radon-in-soil and 2016 radon-in-water programs to test along the conductive corridor of the Bay Trend further to the northeast. The 2017 reconnaissance-scale survey covered a 2,200 by 850 metre area of Lazy Edward Bay. Nine full grid lines and three extended grid lines were spaced at 200 metres with stations spaced 25 metres apart.

The 2017 survey results indicated four anomalous one-point samples above 50 pCi/L including two high anomalies that are above 140 pCi/L. The anomalous samples appear to lie along a northeast-striking linear trend and are roughly coincident with historical EM conductors collected from ground-based and airborne surveys in the area.

### ***South Pine/Perch Properties***

The Perch Property consists of one claim totalling 1,682 hectares (4,156 acres) located along the northeastern margin of the Athabasca Basin approximately 65 km east of Stony Rapids, Saskatchewan. The edge of the Athabasca Basin runs through the middle of the property such that the northern portion of the property is underlain by basement rocks and the southern part of the property is covered by Athabasca Group sandstone. Uranium targets within the property are therefore at shallow depths. A 4 km-long conductor and coincident magnetic low known as the Porcupine Conductor runs northeast-southwest through the central portion of the property.

A ground gravity survey consisting of 467 stations spaced 50 metres apart on lines running perpendicular to the conductor was completed in late August 2016 to cover the Porcupine Conductor. The gravity crew was based in the nearby community of Stony Rapids and a helicopter based in Stony Rapids provided transportation to the property.

The gravity survey identified two significant gravity anomalies. The results indicate there is a very strong gravity low in the western portion of the survey grid coincident with a historical airborne VTEM conductor striking northeast-southwest. In addition, a distinct gravity high in the central part of the survey grid appears to be flanked by two conductors from the airborne VTEM data and appears to break up and offset the two airborne conductors on the property. The gravity high anomaly is also almost directly correlated to a magnetic low.

A final report on the 2016 gravity survey results was completed and has been filed for assessment with the Government of Saskatchewan.

### ***Newnham Lake Property***

The Newnham Lake Property (“Newnham Lake”) consists of eight mineral claims encompassing 11,737 hectares (29,004 acres) located along the northeastern margin of the Athabasca Basin. Newnham Lake was optioned by the Company in 2014 through a series of three separate land acquisition agreements.

The property encompasses the entire folded and faulted, graphitic metapelite synform trend which was the subject of the historical work including intense exploration efforts by Saskatchewan Mining and Development Corporation (“SMDC”, one of the two predecessors to what is now Cameco Corporation) for shallow, unconformity style uranium deposits from about 1976 to 1984. Most recently, JNR Resources Inc. conducted exploration on and near the property between 1997 and 2011. The recent work includes a ground horizontal loop electromagnetic (HLEM) survey, airborne electromagnetic surveys, and an airborne full tensor gravity gradiometry survey. In excess of 140 diamond drill holes targeted this trend prior to 1984, and were focused on mineralization at the unconformity. The depth to the sub-Athabasca basement is less than 100 metres from the surface along the trend.

Limited previous work was completed exploring for deeper basement style mineralization despite the presence of extensive alteration, anomalous geochemistry and favorable rock types, with most holes continuing less than 25 metres past the sub-Athabasca unconformity. The exploration in the area of Newnham Lake was largely carried out prior to the understanding of the importance of basement-hosted unconformity-style uranium deposits.

The Company believes that the historical and recent work on the property indicates a large amount of positive exploration potential and that there are several target areas yet to be tested. The Newnham conductive trend is approximately 15 kilometres long (25 km total length to account for folding), and is equivalent to the distance that encompasses three of the newest uranium discoveries in the southwest Athabasca Basin, the Triple R (Patterson Lake South) deposit, the Arrow deposit and the Spitfire Zone.

On November 19, 2015, the Company provided an exploration update on data and results received from the summer exploration program at its Newnham Lake Property. During August 2015, RadonEx Ltd. completed a land-based radon flux survey and Dahrouge Geological Consulting Ltd. completed a ground gravity survey. A total of 454 radon stations, and 418 gravity stations were measured on the DEB grid.

Highlights include:

- A quasi-linear radon anomaly encompassing approximately 100 metres by 750 metres was identified at the DEB grid;
- Nine radon values ranging from 2.81 to 4.00 pCi/m<sup>2</sup>/sec were identified;
- The anomaly is associated with a north-south trending fault which crosscuts the known conductor; and
- A coincident gravity low was identified.

The trend of anomalous radon-in-soil samples (greater than 2.8 pCi/m<sup>2</sup>/sec) occurs at the intersection of a cross-cutting structure with a conductive trend defined by a ground based Horizontal Loop Electromagnetic (HLEM) survey carried out in 2006. The cross-cutting structure is also evident in the ground-gravity survey and historical magnetic data.

The radon anomaly is located less than one kilometre northeast of historical uranium intersections in drill holes BL-146 and BL-172 with uranium values in the basement of up to 0.27% U<sub>3</sub>O<sub>8</sub> over 0.13 metres and 0.09% U<sub>3</sub>O<sub>8</sub> over 0.50 metres, respectively.

On March 29, 2017, the Company announced that a deep-penetrating induced polarization/resistivity (“IP/resistivity”) survey had commenced at its Newnham Lake Property. The 2017 ground IP/resistivity survey would consist of 92.5 line-kilometres across the most prospective areas outlined by previous work. The survey method is capable of imaging conductive/resistive horizons to approximately 700 metres depth.

A formal, third party review of the numerous historical geophysical surveys completed over the Newnham Lake Property, which include airborne VTEM, high-resolution magnetics, ZTEM and gravity as well as ground gravity and MaxMin EM, has been ongoing since November 2016. The VTEM survey system used at the Newnham Lake Property has successfully imaged conductors to approximately 300 metres depth and ALX’s recent experience with modelling ZTEM data collected at the property has detected conductive/resistive horizons to depths up to 1,000 metres, or more. Improvements in data modeling techniques since those surveys were flown have allowed for a more detailed view of conductivity/resistivity relationships in the basement rocks and have assisted in the recognition of alteration zones around electromagnetic conductors, which can be used as a vector for locating uranium mineralization. In conjunction with the results and interpretation of the 2017 ground IP/resistivity survey, this study will better define the stratigraphy of the host rocks as well as the structural zones on the property in order to better constrain potential future drill targets.

### ***Carpenter Lake Property (acquired from Alpha)***

The Carpenter Lake Property (“Carpenter Lake”) is situated along the Cable Bay Shear Zone (“CBSZ”) and straddles the south central margin of the Athabasca Basin in northern Saskatchewan. The property presently comprises a total of 10,403 hectares (25,707 acres) within four contiguous mineral dispositions and is a Joint Venture between ALX (60%) and Noka Resources Inc. (40%). Carpenter Lake has prospective exploration attributes that warrant further evaluation.

A FALCON® airborne gradiometer gravity survey was carried out by CGG over Carpenter Lake. The survey was completed in the last week of February 2015 and included approximately 340 line-km flown at 100 metre line spacing covering a grid area of approximately 10 x 4 km. A final report from CGG on the airborne gravity survey results was received and has been filed for assessment with the Government of Saskatchewan. The results will be integrated into the Company's geophysical database to better define drill targets at Carpenter Lake.

In July 2015, Condor Consulting, Inc. of Lakewood, Colorado carried out Maxwell modeling of a section of the VTEM conductor related to the conductive system associated with the CBSZ on the Carpenter Lake Property. In addition, 3D modeling of the magnetics and FALCON® airborne CGG gravity was completed on this area of the property.

#### ***Hook-Carter Property (partially acquired from Alpha)***

The Hook-Carter Property was originally comprised of 25 mineral claims totalling 16,508 ha (40,792 acres) in the southwestern portion of the Athabasca Basin in northern Saskatchewan. On August 2, 2016, the Company acquired a 100% interest in three mineral claims located in the Hook-Carter area totalling 297 hectares (734 acres) from Ryan Kalt. In November 2016, the Company acquired an interest in ten mineral claims (Coppin Lake Property) located in the Carter area totalling 2,768 hectares (6,840 acres) from AREVA Resources Canada Inc. and UEX Corporation (see below). The Hook-Carter Property now consists of 38 mineral claims totalling 19,573 hectares (48,366 acres) owned 80% by Denison Mines Corp. ("Denison") and 20% by the Company subject to the terms of the definitive agreement with Denison completed on November 4, 2016 (see below) as well as certain royalties.

The Hook-Carter Property covers the northeastern end of the Derkson, Carter and Patterson Lake structural and conductor trends, host to numerous uranium showings, deposits and recent discoveries, including the Triple R (Patterson Lake South) deposit (Fission Uranium Corp.) and the Arrow deposit (NexGen Energy Ltd.) as well as the Bow and Harpoon discoveries (NexGen Energy Ltd.) and the Spitfire Zone (Purepoint Uranium Group Inc., Cameco Corp. and AREVA Resources Canada Inc.). These recent discoveries occur along an approximately 14 km long portion of the Patterson Lake Corridor and lie 8.5 to 22 km southwest of the Hook-Carter Property. To date, exploration within the Patterson Lake Corridor has identified predominately basement-hosted uranium mineralization associated with gravity low or resistivity geophysical anomalies, electromagnetic (EM) conductors, and in some cases highly anomalous radon geochemistry. These features provide a unique context that can help guide future exploration within the region.

The Carter Lake portion of the property, consisting of 35 mineral claims totalling 8,840 ha (21,844 acres), was acquired through a combination of staking by the Company and property purchase agreements with Eagle Plains Resources Limited in 2015 and Ryan Kalt in 2016 as well as AREVA Resources Canada Inc. and UEX Corporation in 2016.

The Hook Lake portion of the property, consisting of three legacy claims totalling 10,733 ha (26,522 acres), was acquired from Alpha.

In September 2014, Alpha engaged CGG to perform a FALCON® airborne gradiometer gravity survey over Hook Lake, including magnetic and laser scanning digital elevation components. The survey included 987 line-km flown at 200 metre line spacing covering roughly a 10 x 14 km grid area. The survey was completed on December 28, 2014 and a final report from CGG on the airborne gravity survey results was received and has been filed for assessment with the Government of Saskatchewan. The results will be integrated into the Company's geophysical database to better define drill targets at Hook Lake.

On February 25, 2016, the Company announced that it entered into a purchase and sale agreement with Cameco Corporation. The sale included 27 mineral claims near the Hook-Carter Property. The Company received a cash payment of \$170,000 for the mineral claims.

On March 23, 2016, the Company announced the completion of a geophysical program at the Hook-Carter Property. Work consisted of an advanced combined airborne and ground Sub-Audio Magnetic Transient Electromagnetic (HeliSAM TEM) geophysical survey conducted by Gap Discovery Geophysics over the Patterson and Carter Corridors of the Hook-Carter Property. The survey lines were flown 100 metres apart with a helicopter-borne transient EM receiver and covered two large areas approximately 3.8 km long by 1.9 km wide (W1/W2 area) and 2.3 km long by 1.9 km wide (A1 area). A total of 115 line-km of HeliSAM TEM was completed.

The survey configuration combines the cost-effective capabilities of an airborne system to survey large areas with the precision and high power of a more expensive ground loop EM system. The HeliSAM TEM system, first developed in 1991, has been in commercial operation in Australia since 2009 and has been rapidly utilized in Canada recently in 2015 and 2016.

The HeliSAM TEM geophysical survey over the property confirmed the presence of multiple basement conductive units. This is substantiated by preliminary Maxwell model fitting using a starting model based loosely on a previous interpretation by Condor Consulting, Inc. of Lakewood, Colorado of VTEM data along strike of the W1/W2 area. A complex model consisting of six or more conductors within a 2.5 km width is estimated in the W1/W2 area and a complex model of three or more conductors within a 1.5 km width in the A1 area. The data are currently under review for final interpretation and reporting.

The complexity of the conductors precludes uniqueness and accurate locations of individual conductors. Alternate methods such as DC Resistivity and gravity are recommended to help establish drill targets in these areas.

A final report on the 2016 HeliSAM TEM geophysical survey results was completed and has been filed for assessment with the Government of Saskatchewan.

On October 13, 2016, the Company announced a definitive agreement with Denison Mines Corp. for Denison to acquire an immediate 80% ownership of the Hook-Carter Property in exchange for 7,500,000 common shares of Denison. The shares are subject to an escrow arrangement whereby one-sixth of the shares were released on closing with an additional one-sixth of the shares being released in six month increments until fully released. The sale of the property was completed on November 4, 2016.

Under the definitive agreement, ALX will retain a 20% interest in the Hook-Carter Property and Denison agrees to fund ALX's share of the first \$12M in expenditures under a joint venture to be formed. Denison is required to spend \$3.0M on the Hook Lake Property over the first 3 years. If Denison does not meet the \$3.0M work commitment, ALX's interest will increase from 20% to 25% and Denison's interest in the project will decrease from 80% to 75%. Thirty-six months after the effective date of the agreement, the parties will form a joint venture, in which all material decisions shall be carried by a vote representing a 51% ownership interest.

On November 4, 2016, Denison also purchased the Coppin Lake Property from AREVA Resources Canada Inc. and UEX Corporation for cash payments of \$35,000 and a 1.5% net smelter royalty. Under the terms of the Hook-Carter agreement, Denison and ALX have elected to have these ten claims form part of the Hook-Carter Property and ALX's interest in these claims will be the same as its interest in the Hook-Carter Property.

On January 17, 2017, the Company announced that it had received notice from Denison of its 2017 uranium exploration plans on the Hook-Carter Property. The 2017 exploration plans include initial ground resistivity and electromagnetic surveying during the winter season, followed by a reconnaissance five-hole diamond drill program (2,700 metres) during the summer months. Work is expected to be focused on the southwestern portion of the property, where Athabasca sandstone thicknesses vary between 250 and 450 metres.

### ***Cluff Lake Properties (acquired from Alpha)***

#### **Middle Lake Property, Saskatchewan**

The Middle Lake Property ("Middle Lake") is owned 80% by the Company and 20% by Acme Resources Inc. The property is part of the Cluff Lake properties in the western part of the Athabasca Basin in northern Saskatchewan which adjoin the former Cluff Lake Mine site, where over 62 million pounds of U<sub>3</sub>O<sub>8</sub> were extracted during a 22-year operating life through a combination of three open pit mines and four underground mines by predecessors of AREVA Resources Canada Inc. Middle Lake is located approximately 75 km north of the Triple R deposit in the Patterson Lake South area and about 250 km north along Highway 955 from the town of La Loche. The property comprises one mineral disposition totalling 2,416 hectares (5,970 acres).

On September 17, 2014, the Company filed a technical report on SEDAR entitled "Technical Report on the Middle Lake Property, Carswell Structure, Northwest Saskatchewan, Canada" prepared by Dr. Charlie T. Harper, PhD, P.Eng, P.Geo., of Harper Geological Consulting & Exploration. The report summarized drilling carried out in

February and March of 2014. Dr. Harper is an active field geologist with an extensive work history in the Athabasca Basin, and his recommendations included:

- Expansion of existing radon and gravity surveys during 2015 winter season; and
- Follow-up diamond drilling in early 2015 based on integration of the radon and gravity work, targeting the potential up-ice source of high-grade boulder fans on and southwest of Middle Lake and west of Skull Lake.

On January 22, 2015, the Company announced the commencement of a winter 2015 exploration program at Middle Lake. The exploration program included infill and extension ground gravity and radon surveys as well as a diamond drilling program.

Infill and extension ground gravity survey work was completed by MWH Geo-Surveys Ltd. of Vernon, BC, at the beginning of the program. A radon survey was also performed by RadonEx Ltd. to augment data collected in 2014.

On March 10, 2015, the Company released the results of the winter 2015 diamond drilling program. The drilling consisted of 1,850 metres in 17 holes (ML15-032 to ML15-048). Drilling was focused on geophysical features in the northern part of the property, around and west of Skull Lake; integrated targets based on gravity, electromagnetic and magnetic features were tested. An expansive historical radon anomaly and scattered high-grade uraniferous boulders are located immediately to the south and west of the area tested.

Although no significant radioactivity was intersected during the drilling program, geophysical targets were corroborated by drilling. Conductors intersected west and north of Skull Lake are related to sulfide-bearing graphitic shear zones in psammitic gneiss with pegmatite in contact with Archean Earl River gneiss complexes. Farther to the west, a large gravity low anomaly was explained by the presence of abundant Cluff Lake impact breccia containing local graphitic shear zones.

While graphite and sulfides intersected along target shear zones were encouraging, anomalous radioactivity and evidence of hydrothermal alteration related to mineralizing processes were lacking. Further exploration will be evaluated once all drill data including geochemistry from systematic core sampling are in-hand and synthesized along with all existing regional and property-scale exploration data.

#### **Gorilla Lake Property (formerly Cluff Lake (Logan) Project)**

The Gorilla Lake Property is part of the Cluff Lake properties and is located north of and adjacent to the former Cluff Lake uranium mine area in the western portion of the Athabasca Basin in northern Saskatchewan. The property comprises two contiguous mineral dispositions within the Carswell Impact Structure totalling approximately 7,552 hectares (18,661 acres) and is held 80% by the Company with Logan Resources Ltd. (“Logan”) having a 20% carried interest. ALX is the operator of the Property.. The Company shall produce a bankable feasibility study with Logan having a carried interest until the feasibility study is delivered, at which time Logan will have the choice to take on a 20% participating interest in a new company to operate the production facility or take on a 2% GORR for all uranium mineral products and a 2% NSR for all other metals. The Company will return all of its interest in any of the claims to Logan upon a decision by the Company to terminate work thereon.

The exploration potential of the Gorilla Lake Property is well established from nearly five decades of exploration in the region. Important attributes for uranium potential include strong structural zones with known uranium mineralization and clay alteration in drill holes and numerous conductors, as defined by airborne and ground electromagnetic (EM) surveys. In 2006, ALX (“ESO”) drilling encountered extensions to known mineralization intersected by Amok in 1979 (0.85%  $U_3O_8$  over 2.5 m in hole CAR-425) in two of the six holes drilled. Drill hole CLU-01 intersected 0.46%  $U_3O_8$  over 1.5 m from 174.0 to 174.5 m. Drill hole CLU-07 intersected two zones of uranium mineralization: one zone returned 0.17%  $U_3O_8$  over 7.0 m from 153.0 to 160.0 m, including 0.82%  $U_3O_8$  over 1.0 m and a second zone contained 0.20%  $U_3O_8$  over 2.0 m from 175.0 to 177.0 m. These step-out holes confirmed the presence of uranium in the area of previous hole CAR-425. The uranium mineralization intersected in drill holes CLU-01 and CLU-07 is associated with a virtually untested structure extending over at least 700 metres.

On March 30, 2016, the Company announced it had completed an extension to geophysical surveys carried out in February 2016 at its Gorilla Lake Property. Initial work consisting of a ground gravity survey totalling 434 stations was completed in February 2016 to cover two targets:

1. The untested northeast and southwest strike extensions of the main northeast-striking conductive trend at Gorilla Lake, where the Company intersected basement-hosted uranium in 2006; and
2. A coincident airborne electromagnetic Ad Tau and magnetic “button” anomaly approximately 1500 metres south of Gorilla Lake.

The initial results around Gorilla Lake showed a distinct northeast-trending gravity low on the northeast side of the survey area with extremely low residual gravity values down to -0.85 mGals. However, this gravity low exactly overlies a creek flowing out of Gorilla Lake, so it may be related to a topographic feature. A second well defined gravity anomaly is a low on the west side of Gorilla Lake along the northwest edge of the survey area which was open to the west. In addition, gravity work completed over the magnetic button and Ad Tau anomaly showed a distinct northeast-southwest striking gravity low, though not as pronounced as the ones in the north, coincides exactly with the magnetic button.

In March 2016, further gravity work was carried out to extend the grid to the west to cover the open gravity anomaly west of Gorilla Lake. A total of 178 additional gravity stations were measured. The results show a large northeast-trending gravity low west of Gorilla Lake.

The gravity lows west of Gorilla Lake and over the magnetic button are both prime targets for drilling. Further ground electromagnetic geophysical surveys are recommended prior to drilling to determine the exact nature of the conductive trends in both areas.

A final report on the 2016 ground gravity geophysical survey results was completed and has been filed for assessment with the Government of Saskatchewan.

On January 17, 2017, the Company announced that a diamond drilling program had commenced at the Gorilla Lake Property. The 2017 drilling program was planned to include four holes totalling approximately 1,000 metres. Work would be focused on the northern portion of the property to follow up on basement-hosted uranium mineralization that was previously intersected in historical holes CLU-01 (0.46% U<sub>3</sub>O<sub>8</sub> over 1.5 m) and CLU-07 (0.17% U<sub>3</sub>O<sub>8</sub> over 7.0 m) drilled in 2006. In addition, drilling would test an airborne electromagnetic anomaly approximately 1,500 metres south of Gorilla Lake coincident with a magnetic “button” anomaly within a distinct northeast-southwest striking gravity low.

On May 2, 2017, the Company announced the results of the 2017 winter diamond drilling program at the Gorilla Lake Property. The drilling program consisted of four holes totalling 1,116 metres. Three holes (GL17-001 to GL17-003) were drilled in the northern portion of the Property to follow up on basement-hosted uranium mineralization that was previously intersected in historical holes CLU-01 and CLU-07 drilled in 2006. The historical uranium mineralization was associated with numerous conductors, as defined by airborne and ground electromagnetic surveys and was coincident with a distinct northeast-trending gravity low highlighted from a ground gravity survey conducted in the winter of 2016. In addition, one hole (GL17-004) tested an airborne electromagnetic anomaly approximately 1,500 metres south of Gorilla Lake coincident within a distinct northeast-southwest striking gravity low. Three of the 2017 drill holes showed narrow intervals containing anomalous values of uranium and other pathfinder elements as well as elevated radioactivity including 133 ppm uranium from 183.35 to 183.55 m in hole GL17-001, 156 ppm uranium from 138.10 to 138.64 m in hole GL17-002 and 117 ppm uranium from 71.78 to 72.00 m and 127 ppm uranium from 72.00 to 72.24 m in hole GL17-004.

#### **Bridle Lake Property (formerly Cluff Lake (Rio Tinto) Project)**

The Bridle Lake Property (“Bridle Lake”) is owned 50% by the Company and 50% by Rio Tinto Canada Uranium Corporation. Bridle Lake is part of the Cluff Lake properties and is located north of and adjacent to the former Cluff Lake uranium mine area in the western portion of the Athabasca Basin in northern Saskatchewan. The property comprises two mineral dispositions totalling approximately 6,797 hectares (16,795 acres).

## **OTHER PROJECTS**

### ***Midas Gold Property***

The Midas Gold Property (“Midas”) consists of ten staked mining claims encompassing 108 claim units (1,728 hectares or 4,270 acres) located in the Michipicoten Greenstone Belt approximately 50 km northeast of Wawa, Ontario. The property is 100% owned by the Company, subject to certain royalties.

On September 3, 2013, the Company entered into an option agreement with New Dimension Resources Ltd. (“New Dimension”) whereby the Company granted New Dimension the option to acquire a 70% interest in the Midas Gold Property by spending \$1,200,000 in exploration (including a firm commitment of \$300,000 no later than December 31, 2013), issuing 1,500,000 shares (300,000 received on October 15, 2013) and paying \$100,000 on or before December 31, 2016. The property is subject to a 2% NSR to the underlying optionors, a portion of which can be purchased.

On October 19, 2015, the Company and New Dimension amended the terms of the agreement as follows:

- An optional cumulative expenditure of \$700,000 on or before December 31, 2017 and \$1,200,000 on or before December 31, 2018,
- Issue the Company 100,000 post consolidation shares of New Dimension on or before December 31, 2015 (received with a fair value of \$4,500 during the three months ended March 31, 2016) and 100,000 post consolidation shares on or before December 31, 2016, and
- Pay the Company \$100,000 on or before December 31, 2017.

The agreement with New Dimension was terminated on August 11, 2016.

On October 24, 2016, the Company entered into an option agreement with Miramont Capital Corp. (“Miramont”) whereby the Company granted Miramont the option to acquire a 100% interest in the Midas Gold Property by issuing 1,000,000 shares and paying \$200,000 (\$30,000 plus 100,000 shares valued at \$20,000 received) in staged payments on or before December 31, 2018. The property is subject to a 2% NSR to the underlying optionors.

### ***Donna Property (acquired from Alpha)***

The Donna Property (“Donna”) is located in the Monashee Mountains in south-central British Columbia, approximately 60 km east of Vernon. Donna is a contiguous block of seven mineral claims covering 2,299 hectares (5,680 acres). On September 8, 2013, Alpha entered into an agreement to grant Interconnect Ventures Corporation (“Interconnect”) an option to acquire a 70% interest in the Donna Property. On October 30, 2015, the option agreement with Interconnect was cancelled.

The main exploration target is a bulk tonnage gold-silver deposit hosted by a vein stockwork localized along a major north-south fault structure, and spatially related to the contact of a large diorite stock which intrudes metamorphic sedimentary rocks. Gold enrichment in soils extends for more than 1,600 metres (5,300 feet) along the height of land between the Kettle River and Yeoward Creek, which both have historical placer gold production.

On January 27, 2015, the Company announced the results of a diamond drilling program on the Donna Property completed in 2014. Work included a four-hole NQ diamond drilling program carried out by Discovery Consultants and Dorado Drilling Ltd. on behalf of the Company and Interconnect for a total of 492 metres. Drilling was based on targets generated from an induced polarization (“IP”) survey carried out on the property in 2014.

All four drill holes intersected gold mineralization, including 8.72 g/t Au over 2.0 metres. Gold mineralization is associated with semi-massive sulphides including pyrite, arsenopyrite, galena and pyrrhotite which occur along the contact between a diorite intrusion and argillite. This newly discovered gold mineralization is 1.5 km west of the area of historical trenching and drilling, and 350 metres west of the 2010 drilling. This expanded delineation of gold increases significantly the potential of the zone.

On June 23, 2016, it was announced that the Company had entered into agreements with Eagle Plains Resources Ltd. (Eagle Plains), whereby ALX would purchase 100% interest in several mineral claims located in the Athabasca Basin, Saskatchewan and ALX would sell 100% interest in the Donna mineral claims. This transaction consisted of a

property swap as the Company is focused on its uranium properties in the Athabasca Basin and the Eagle Plains ground is contiguous to some of the ALX properties. ALX had no current exploration plans on the Donna mineral claims.

***Mikwam Property (acquired from Alpha)***

The Mikwam Property (“Mikwam”) is located in east-central Ontario, approximately 160 km northeast of Timmins. Mikwam is a contiguous block of nine mineral claims encompassing 59 claim units (944 hectares or 2,333 acres) that are 100% owned by the Company. The property lies along the western extension of the Casa Berardi Deformation Zone that extends from the Quebec-Ontario border into Noseworthy and Bradette Townships and is located approximately 30 km west of Hecla Mining Company’s Casa Berardi Gold Mine.

A 2006 diamond drilling program was carried out on Mikwam by ESO Uranium Corp. consisting of 17 holes totalling 6,383 metres. The program was successful in intersecting several high grade gold mineralized zones.

Highlights of the 2006 drilling include:

- Hole ESO-06-02 4.10 g/t Au over 19.0 metres;
- Hole ESO-06-03 4.80 g/t Au over 16.0 metres;
- Hole ESO-06-07 6.32 g/t Au over 5.6 metres;
- Hole ESO-06-14 3.65 g/t Au over 16.0 metres;
- Hole ESO-06-15 4.37 g/t Au over 18.0 metres; and
- Hole ESO-06-17 4.99 g/t Au over 13.0 metres

Gold mineralization on the Mikwam Property is associated with quartz-carbonate veins, but the highest gold values occur in highly sulphidized zones, consisting of 5 to 50% pyrite and 1 to 5% arsenopyrite within a highly sericitized, quartz-flooded matrix.

On August 9, 2016, the Company announced that Galena International Resources Inc. (“Galena”) had executed a Letter of Intent with the Company to acquire a 100% interest in the Mikwam Property (“Mikwam”) for a cash payment of \$20,000 and the issuance of 2,000,000 common shares of Galena. On September 28, 2016, Galena filed a Notice of Civil Claim to require the Company to close the transaction for Mikwam on the terms set out in the Company’s news release of August 9, 2016.

On November 29, 2016, the Company announced that it had entered into a Property Option Agreement with Galena International Resources Ltd. in settlement of ALX’s and Galena’s dispute with respect to the acquisition of the Mikwam Property.

On December 12, 2016, the Company announced it had closed the Property Option Agreement with Galena International Resources Ltd with respect to Galena’s acquisition of the Mikwam Property. Galena holds the right to acquire a 100% interest (subject to certain royalty interests and encumbrances) in the Mikwam Property in consideration of making aggregate cash and share payments to ALX over a period of three years as follows:

- CAD \$25,000 and issue 2,000,000 common shares on closing of the transaction;
- CAD \$50,000 or, at Galena’s election, issue 500,000 common shares on or before the first anniversary of the Option Agreement;
- CAD \$75,000 or, at Galena’s election, issue 750,000 common shares on or before the second anniversary of the Option Agreement; and
- CAD \$100,000 or, at Galena’s election, issue 750,000 common shares on or before the third anniversary of the Option Agreement.

ALX has received its first payment of CAD \$25,000 and 2,000,000 common shares of Galena International Resources Inc.

In addition, Galena will grant ALX a net smelter returns royalty (the “NSR Royalty”) equal to 0.5% of Net Smelter Returns from the Mikwam Property. Galena shall have the right, at any time, to acquire the NSR Royalty from ALX in consideration of a cash payment of CAD \$1,000,000.

### ***Qualified Persons***

The disclosure of technical information regarding ALX's properties contained in this MD&A has been reviewed and approved by Sierd Eriks, P.Geo., ALX's President and CEO, who is a Qualified Person as defined by *National Instrument 43-101 – Standards of Disclosure for Mineral Projects* and is non-independent of ALX. Mr. Eriks has supervised exploration programs on many of ALX's properties, including recent programs on the Gorilla Lake, Middle Lake, Kelic Lake and Gibbons Creek properties. He has been in the field on these properties, overseen and reviewed the results with on-site geological staff, and reviewed the available analytical and quality control results.

## **FINANCIAL SUMMARY**

### **Overall Performance**

At March 31, 2017, the Company had \$943,403 (December 31, 2016 – \$920,910) in cash and cash equivalents and working capital of \$7,115,512 (December 31, 2016 - \$6,502,358). The Company reported net income of \$734,080 during the quarter ended March 31, 2017 (March 31, 2016 – net loss \$256,334). The Company has total assets of \$13,997,580 (December 31, 2016 - \$12,620,942), including cash and cash equivalents of \$943,403 (December 31, 2016 - \$920,910), taxes receivable of \$46,897 (December 31, 2016 - \$10,849), other receivables of \$4,692 (December 31, 2016 - \$2,010), marketable securities of \$6,332,564 (December 31, 2016 - \$5,628,792), prepaid expenses of \$251,359 (December 31, 2016 - \$129,304), property and equipment of \$26,106 (December 31, 2016 - \$27,581), exploration and evaluation assets of \$6,382,562 (December 31, 2016 - \$5,891,496), and a reclamation bond of \$10,000 (December 31, 2016 - \$10,000). The Company has accounts payable and accrued liabilities of \$460,403 (December 31, 2016 - \$141,307) and a liability for flow through shares of \$nil (December 31, 2016 - \$48,200).

### **Selected Annual Financial Information**

The following table provides a summary of the Company's financial operations for the last three fiscal years ended December 31. For more detailed information, refer to the Company's annual audited financial statements.

	Year ended December 31, 2016	Year ended December 31, 2015	Year ended December 31, 2014
Total revenues	-	-	-
General and administrative expenses	1,098,455	1,420,217	1,180,094
Net Income (loss) for the year	3,517,274	(2,278,265)	(1,244,859)
Earnings (loss) per share	0.06	(0.08)	(0.11)
Total assets	12,620,942	7,879,969	6,784,331
Total liabilities	189,507	598,847	579,742
Working capital	6,502,358	673,487	3,305,219
Weighted Avg. number of shares outstanding	58,562,900	29,491,635	11,893,946

The Company's general and administrative expenses have increased substantially over the past three fiscal years due to the Company's increased business activities from the acquisition and exploration of uranium properties. The Company's assets have also increased substantially over this time, and have been funded by the issuance of shares.

### **Results of Operations**

#### **Three Months Ended March 31, 2017**

The Company had net income of \$734,080 during the three months ended March 31, 2017, compared to a net loss of \$256,334 during the three months ended March 31, 2016, for an increase of \$990,414. Details of the significant changes from the prior year's period are as follows:

- A increase in advertising and promotion expenses to \$48,698 (2015 - \$36,550) due to additional online marketing efforts to reach potential investors who have expressed an interest in the Company during the period;
- A decrease in administration fees to \$nil (2016 – 37,500) due to the termination of a service contract with Zimtu on November 30, 2016. Administration duties previously provided under the service contract have been taken up by existing staff and consultants were necessary;
- An increase in consulting fees and salaries to \$133,390 (2016 - \$81,325) due to increased utilization of part time employees and consultants along with costs incurred for staff changes;
- An increase in share-based payments to \$97,661 (2016 - \$10,245) from the valuation of 1,275,000 (2016 – 150,000) stock options granted during the current period,
- An decrease in transfer agent and filing fees to \$9,961 (2016 - \$20,009) due to a decrease in financing activities during the period ;
- An decrease in Part XII.6 tax to \$nil (2016 - \$41,471) as the company did not incur any interest or penalties due to flow-through funds under the look-back tax rule during the period;
- An increase in the gain on sale of marketable securities to \$245,018 (2016 - \$nil) due to the sale of 299,000 Denison shares and 802,000 Castle Silver shares during the period.
- An increase in the unrealized gain on marketable securities to \$844,282 (2016 – \$10,824) due to the increase in value of the Company’s marketable securities; and
- An increase in deferred income tax recovery to \$48,200 (2016 - \$8,949) due to an increased tax benefit of issuing flow-through shares and incurring qualifying exploration expenditures.

**Selected Quarterly Information**

The following is a summary of the results from the eight previously completed financial quarters:

	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
Corporate overhead*	316,636	331,797	213,254	275,128	224,645	303,522	154,846	174,594
Share-based payments*	97,661	4,807	38,579	-	10,245	27,083	548,154	-
Deferred income tax recovery	48,200	2,441	14,740	5,727	8,949	944,398	60,872	36,048
Income (Loss) for the period	734,080	4,109,430	(231,063)	(104,759)	(256,334)	(2,301,517)	(678,152)	(151,552)
Total assets	13,997,580	12,620,942	8,225,769	8,465,102	8,268,203	7,879,969	10,202,923	6,516,113
Total liabilities	460,403	189,507	96,005	142,854	270,567	598,847	1,611,100	373,415
Working Capital	7,118,512	6,502,358	1,296,363	1,597,440	1,324,111	673,487	1,237,897	2,113,508

\*The table above separates operating expenses into corporate overhead and share-based payments.

Over the last eight quarters, the Company has seen its corporate overhead expenses remain fairly consistent except for the two most recent quarters which were higher due to an increase in staffing, consulting, and general expenses. In Q4 2015 through Q4 2016, the Company increased its spending on advertising and promotions, and investor relations. The significant increase in net income in Q4 2016 was from the sale of an 80% interest in the Hook-Carter property and unrealized gains marketable securities. The net income (loss) for the Company is significantly affected by share-based payments from the granting of options in Q3 2015 and deferred income tax recovery from the renunciation of flow through expenses in Q4 2015. In Q4 2015, the Company impaired \$2,003,037 of their exploration and evaluation assets.

### **Liquidity and Solvency**

At March 31, 2017, the Company has total assets of \$13,997,580 (December 31, 2016 - \$12,620,942). The primary assets of the Company are cash and cash equivalents of \$943,403 (December 31, 2016 - \$920,910), taxes receivable of \$46,897 (December 31, 2015 - \$10,849), other receivables of \$4,692 (December 31, 2016 - \$2,010), marketable securities of \$6,332,564 (December 31, 2016 - \$5,628,792), prepaid expenses of \$251,359 (December 31, 2016 - \$129,304), equipment of \$26,103 (December 31, 2016 - \$27,581), exploration and evaluation assets of \$6,382,562 (December 31, 2016 - \$5,891,496), and a reclamation bond of \$10,000 (December 31, 2016 - \$10,000). The Company has no long-term liabilities and has working capital of \$7,118,512 (December 31, 2016 - \$6,502,358).

Cash outflow from operating activities during the three month period ended March 31, 2017 was \$408,530 (2016 - \$852,977). This decrease was primarily attributable to \$nil (March 31, 2016 - \$432,048) funds in trust from Holystone.

During the three months ended March 31, 2017, the net cash flows from financing activities were \$274,000 compared to \$962,603 during the three months ended March 31, 2016. Of this amount, \$270,000 (March 31 2016 - \$527,750) is from the issuance of shares, \$nil (March 31, 2016 - \$17,397(recovery)) was spent on share issuance costs, and \$4,000 (March 31,2016 - \$452,250) was received for the prior year's share subscriptions.

During the three months ended March 31, 2017, the Company's exploration and evaluation expenditures were \$248,505, compared to \$404,897 during the three months ended March 31, 2016. In addition, the Company received \$nil (March 31, 2016 - \$170,000) from the sale of exploration and evaluation assets and \$405,528 (March 31, 2016 - \$nil) from the partial sale of Denison and Castle Silver marketable securities.

The Company's ability to continue as a going concern is dependent on the Company's ability to raise funds. The Company believes its current treasury is sufficient to fund planned exploration and corporate expenses over the next twelve months.

### **SHAREHOLDERS' EQUITY**

The Company is authorized to issue an unlimited number of common shares.

On September 25, 2015, the Company consolidated their outstanding shares on the basis of one post-consolidated share for every three pre-consolidated share. All share values referenced in these consolidated financial statements are post-consolidation.

	<b>Number Outstanding May 25, 2017</b>	<b>Number Outstanding March 31, 2017</b>	<b>Number Outstanding December 31, 2016</b>
Common Shares issued and outstanding	70,261,422	70,261,422	67,561,422
Options to purchase common shares	5,750,000	5,350,000	6,050,000
Warrants to purchase common shares	9,914,957	9,914,957	10,707,457
Total (fully diluted)	85,926,379	85,526,379	84,318,879

i) Common shares issued

On January 29, 2016, the Company closed the second tranche of its non-brokered private placement, consisting of 4,195,000 Units at \$0.05 per Unit for gross proceeds of \$209,750. Each Unit consists of one common share and one share purchase warrant. Each share purchase warrant is exercisable into one common share of the Company for a period of 24 months from closing at a price of \$0.10 per common share. The Company paid total finders fees of \$10,080 and issued 160,457 finders' warrants exercisable at \$0.10 per share for a period of 24 months from closing.

On March 15, 2016, the Company closed the first tranche of its private placement with Holystone, by issuing 5,300,000 common shares at a price of \$0.06 per share for gross proceeds of \$318,000.

On April 27, 2016, the Company issued 250,000 common shares with a fair value of \$27,500 in accordance with the acquisition agreement for the North and South Carter Corridor Properties.

On May 16, 2016, the Company closed the first tranche of its non-brokered private placement, consisting of 300,000 FT Units and 2,175,000 Units, for gross proceeds of \$255,000 (with \$9,000 being recognized as a liability for flow-through shares). Each FT Unit consists of one flow-through common share and one half of one non flow-through common share purchase warrant in the capital of the Company. Each Unit consists of one common share and one Warrant. Each whole Warrant is exercisable into one common share of the Company for a period of 18 months from closing at an exercise price of \$0.20 per common share. The Company paid finders fees of \$5,688 and issued 52,500 agent's warrants exercisable at \$0.20 per share for a period of 18 months from closing.

On June 16, 2016, 642,857 share purchase warrants priced at \$0.10 were exercised for gross proceeds of \$64,286.

On June 23, 2016, the Company closed the second tranche of its non-brokered private placement, consisting of 230,000 FT Units and 650,000 Units, for gross proceeds of \$93,750 (with \$5,750 being recognized as a liability for flow-through shares). Each FT Unit consists of one flow-through common share and one half of one non flow-through common share purchase warrant in the capital of the Company. Each Unit consists of one common share and one Warrant. Each whole Warrant is exercisable into one common share of the Company for a period of 18 months from closing at an exercise price of \$0.20 per common share. The Company paid finders fees of \$700 and issued 7,000 agent's warrants exercisable at \$0.20 per share for a period of 18 months from closing.

On June 23, 2016, the Company closed the second tranche of its private placement with Holystone, by issuing 7,200,000 common shares at a price of \$0.06 per share for gross proceeds of \$432,000. See Note 15.

On June 27, 2016, the Company issued 133,333 common shares with a fair value of \$12,667 in accordance with the acquisition agreement of the South Pine Property.

On December 30, 2016, the Company closed a non-brokered private placement, consisting of 2,410,000 FT Units for gross proceeds of \$241,000 (with \$9,000 being recognized as a liability for flow-through shares). Each FT Unit consists of one flow-through common share and one non flow-through common share purchase warrant in the capital of the Company. Each warrant is exercisable into one common share of the Company for a period of 24 months from closing at an exercise price of \$0.15 per common share.

ii) Stock option granted

On March 15, 2016, granted 150,000 stock options at \$0.10, expiring in 10 years to an Advisor to the Board of Directors.

On July 22, 2016, the Company granted 1,275,000 stock options (900,000 of which went to Directors and Officers) with an exercise price of \$0.10 and expiring in 5 years. These options will vest as follows: one-third immediately, one-third one year from the grant date, and one-third two years from the grant date.

On November 8, 2016, the Company granted 400,000 stock options (350,000 were issued to Directors and Officers) with an exercise price of \$0.10 and in two tranches. In the first tranche, 250,000 options vest 25% every six months and expire in 10 years. In the second tranche, 150,000 options vest 50% immediately and 50% six months from the grant date and expire in 5 years.

- On January 16, 2017, the Company granted 1,275,000 stock options (1,150,000 were issued to Directors and Officers) with an exercise price of \$0.135 and expiring in 5 years. These options will vest as follows: one-third immediately, one-third six months from the grant date, and one-third twelve months from the grant date.

## REGULATORY DISCLOSURES

### *Financial Risk Management*

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(a) Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash balances. The Company manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada. Management believes that the credit risk with respect to receivables is remote.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

(c) Foreign exchange risk

The Company is not exposed to foreign currency risk on fluctuations considering that its assets and liabilities are stated in Canadian dollars.

(d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. With respect to financial assets, the Company's practice is to invest cash in cash equivalents in order to maintain liquidity. Fluctuations in interest rates affect the fair value of cash equivalents.

(e) Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, net of cash and cash equivalents.

There were no changes in the Company's approach to capital management during the three months ended March 31, 2016 or the year ended December 31, 2016. The Company is not subject to any externally imposed capital requirements.

(f) Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The following is an analysis of the Company's financial assets measured at fair value as at March 31, 2017 and December 31, 2016:

	As at March 31, 2017		
	Level 1	Level 2	Level 3
Cash	\$ 943,403	\$ -	\$ -
Marketable securities	\$ 6,332,564	\$ -	\$ -
Reclamation bond	\$ 10,000	\$ -	\$ -
	\$ 7,285,967	\$ -	\$ -

	As at December 31, 2016		
	Level 1	Level 2	Level 3
Cash	\$ 920,910	\$ -	\$ -
Marketable securities	\$ 5,628,792	\$ -	\$ -
Reclamation bond	\$ 10,000	\$ -	\$ -
	\$ 6,559,702	\$ -	\$ -

**Marketable Securities**

	March 31, 2017		December 31, 2016	
	Cost	Fair Market Value	Cost	Fair Market Value
	\$	\$	\$	\$
New Dimension Resources	12,000	17,143	12,000	14,286
Declan Resources	27,000	1,125	27,000	1,125
Castle Silver (Takara)	5,000	135,000	13,020	91,140
RT Minerals	45,000	27,000	45,000	24,000
Canyon Copper	140	176	140	211
Uravan Minerals	72,520	51,800	72,520	44,030
Aurelius Minerals (Galena)	180,000	170,000	180,000	200,000
Denison Mines	3,672,510	5,904,820	3,825,000	5,250,000
Interconnect Ventures	7,000	5,500	7,000	4,000
Miramont Resources	20,000	20,000	-	-
Total	4,041,170	6,332,564	4,181,680	5,628,792

On October 15, 2013, the Company received 300,000 common shares of New Dimension Resources Ltd. pursuant to the option to acquire a 70% interest in the Midas Gold Project. The 300,000 common shares were valued at \$0.025 per share, the closing price of the shares on October 15, 2013. On February 20, 2015, the shares were consolidated 1:7. The Company received the next payment of 100,000 common shares, with a fair value of \$4,500. The market value of the remaining 142,857 common shares is measured using the closing market price of \$0.12 as at March 31, 2017.

On January 8, 2014, the Company received 2,000,000 common shares of Declan Resources Inc. pursuant to the option to acquire a 70% interest in the Gibbons Creek Project. The 2,000,000 common shares were valued at \$0.12 per share, the closing price of the shares on January 8, 2014. During the year ended December 31, 2014, 1,775,000 shares of Declan were sold for proceeds of \$51,355. The market value of the remaining 225,000 common shares is measured using the closing market price of \$0.005 as at March 31, 2017.

On December 30, 2014, the Company received 1,500,000 common shares of Castle Silver (formerly Takara Resources Inc.) pursuant to the option to acquire a 50% interest in the Fond du Lac Property. The 1,500,000 common shares were valued at \$0.01 per share, the closing price of the shares on December 30, 2014. During

the three months ended March 31, 2017, the Company sold 802,000 (December 31, 2016 - 198,000) shares of Castle Silver for gross proceeds of \$152,640 (December 31, 2016 -\$17,530). The market value of 500,000 common shares is measured using the closing market price of \$0.27 as at March 31, 2017.

On April 28, 2015, the Company received 400,000 post-consolidated common shares of RT Minerals Corp. pursuant to the option to acquire a 100% interest in the Ballard Lake Property (see Note 5). The 400,000 common shares were valued at \$0.15 per share, the closing price of the shares on April 28, 2015. During 2016, the Company sold 100,000 shares of RT Minerals for gross proceeds of \$10,900. The market value of 300,000 common shares is measured using the closing market price of \$0.09 as at March 31, 2017.

On September 24, 2015, in connection with the acquisition of assets from Alpha, the Company acquired 7,022 shares of Canyon Copper Corp. ("Canyon") at a cost of \$0.02 per share, 584,500 shares of Uravan Minerals Inc. ("Uravan") at a cost of \$0.14 per share, and 100,000 shares of Interconnect Ventures Corp. at a cost of \$0.07 per share. The market value of the 7,022 common shares of Canyon Copper is measured using the closing market price of \$0.025 as at March 31, 2017. The market value of the 518,000 common shares of Uravan Minerals is measured using the closing market price of \$0.10 as at March 31, 2017. The market value of the 100,000 common shares of Interconnect Ventures is measured using the closing market price of \$0.055 as at March 31, 2017.

On November 29, 2016, the Company received 2,000,000 common shares of Aurelius Minerals (formerly Galena International Resources) pursuant to the option to acquire a 100% interest in the Mikwam Property. The 2,000,000 common shares were valued at \$0.09 per share, the closing price of the shares on November 29, 2016. The market value of 2,000,000 common shares of Aurelius Minerals is measured using the closing market price of \$0.085 as at March 31, 2017.

On November 4, 2016, the Company received 7,500,000 common shares of Denison Mines pursuant to the sale of an 80% interest in the Hook/Carter property. The common shares were valued at \$0.51 per share, the closing price of the shares on November 4, 2016 which is consider the effective date of the agreement. During the three months ended March 31, 2017, 299,000 shares of Denison Mines were sold for proceeds of \$252,889. The market value of the 7,201,000 common shares of Denison Mines is measured using the closing market price of \$0.82 as at March 31, 2017.

### ***Related Party Transactions***

The Company incurred the following fees and expenses in the normal course of operations during the three months ended March 31, 2017 and 2016.

<b>Key Management Compensation</b>		<b>2017</b>	<b>2016</b>
		<b>\$</b>	<b>\$</b>
Jonathan Armes	Consulting fees	-	20,100
Sierd Eriks	Consulting fees	14,404	21,551
Sierd Eriks	Exploration and evaluation costs	12,356	3,610
Mark Lackey	Salaries and wages	21,500	-
Warren Stanyer	Salaries and wages	10,500	-
Wardelaine Consulting Corp.**	Consulting fees	10,500	-
Dahrouge Geological*	Consulting fees	3,704	6,168
Dahrouge Geological*	Exploration and evaluation costs	10,992	13,688
Directors and Officers	Share-based payments	90,180	10,245
<b>Totals</b>		<b>174,136</b>	<b>75,362</b>

\*Owned by Jody Dahrouge, Director

\*\*Owned by Patrick Groening, Officer

Related party amounts are unsecured, non-interest bearing and due on demand. As at March 31, 2017, \$13,993 (December 31, 2016 - \$15,475) is due to related parties of the Company and is included in accounts payable and accrued liabilities.

**Commitments**

The Company has entered into the following agreements:

i) Financing

On March 7, 2016, the Company entered into an agreement with Holystone Energy Company Limited (“Holystone”) for a three year strategic partnership.

Under the terms of the agreement, Holystone has:

- Subscribed for and received 12,500,000 common shares of ALX at a price of \$0.06 per share for gross proceeds of \$750,000.
- The right for three years from closing of the private placement to participate in future financings at a 20% discount to maintain their pro-rata ownership interest in ALX. The right to participate in future financings is subject to a maximum ownership level of 19.9%.
- The ability to appoint one representative to the Board of Directors of ALX.

ii) Office Lease

The Company assumed a lease agreement, previously held by Alpha, for a term expiring April 1, 2017, whereby it was required to pay base rent of \$83,349 per annum. Effective June 1, 2015, the lease agreement was amended, whereby the expiry date was extended to December 31, 2018 and the Company is required to pay base rent of \$37,170 per annum.

The Company’s minimum payments over the next two fiscal years are as follows:

	\$
2017	37,170
2018	37,170
	74,340

**Event After The Reporting Period**

On May 15, 2017, the Company granted 400,000 stock options exercisable at \$0.10 per common share for a period of five years.

**Accounting estimates**

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from those estimates. Significant areas where management’s judgment is applied are the recognition and impairment of exploration and evaluation assets, share-based payments charges, and deferred income taxes. Actual results may differ from those estimates.

**Risk and uncertainties**

The operations of the Company are speculative due to the nature of its business which is the investment in the exploration and development of mining properties. These risk factors could materially affect the Company’s future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

The list of risk factors below should not be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of its securities.

#### *No History of Revenue*

The Company's only source of income to date has been interest income earned on excess cash. There is no guarantee that the Company will enter into profitable agreements with mining companies and earn revenue from operations.

The Company is in the business of exploring for, with the ultimate goal of developing and producing, minerals from the uranium properties in the Athabasca Basin and other properties in which the Company may in the future acquire an interest. The Company has not commenced commercial production and the Company has no history or earnings or cash flow from its operations. As a result of the foregoing, there can be no assurance that the Company will be able to develop any of its properties profitably or that its activities will generate positive cash flow. The Company has not paid any dividends and it is unlikely to enjoy earnings or pay dividends in the immediate or foreseeable future. The Company has limited cash and other assets. A prospective investor in the Company must be prepared to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of the Company's management in all aspects of the development and implementation of the Company's business activities.

#### *Market Price of the Common Shares*

The Common Shares are listed and posted for trading on the TSX-V, the FSE, and the OTCQX Markets. The Company's business is in an early stage of exploration and an investment in the Company's securities is highly speculative. There can be no assurance that an active trading market in the Company's securities will be established and maintained. Securities of companies involved in the resource industry have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. The price of the Common Shares is also likely to be significantly affected by short-term changes in commodity prices or in the Company's financial condition or results of operations as reflected in its quarterly earnings reports.

#### *Acquisition Strategy*

As part of the Company's business strategy, it has sought and will continue to seek new exploration, mining and development opportunities in the resource industry. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their personnel into the Company. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favorable terms, or that any acquisitions or business arrangements completed will ultimately benefit the Company.

#### *The Company may not realize the benefits of its growth projects*

As part of its strategy, the Company will continue existing efforts and initiate new efforts to develop new mineral projects. A number of risks and uncertainties are associated with the development of these types of projects, including political, regulatory, design, construction, labour, operating, technical, and technological risks, uncertainties relating to capital and other costs, and financing risks. The failure to develop one or more of these initiatives successfully could have an adverse effect on the Company's financial position and results of operations.

#### *Current Global Financial Conditions*

Recent events in global financial markets, including sovereign debt crises, have had a profound impact on the global economy and global financial conditions have been subject to volatility. Many industries, including the mining sector, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. A continuing slowdown in financial markets or other economic conditions, including, but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's business, financial

condition, results of operations and ability to grow.

#### *Financing Risk*

The Company is limited in financial resources and has no assurance that additional funding will be available for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or infinite postponement of further exploration and development of its projects with the possible loss of such properties.

#### *Competition*

The mineral exploration and development industry is highly competitive. The Company competes with other domestic and international mineral exploration companies that have greater financial, human and technical resources. The Company's competitors may be able to respond more quickly to new laws or regulations or emerging technologies, or devote greater resources to the expansion or efficiency of their operations than the Company can. In addition, current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties. Accordingly, it is possible that new competitors or alliances among current and new competitors may emerge and gain significant market share to the Company's detriment. The Company may also encounter increasing competition from other mining companies in the Company's efforts to hire experienced mining professionals. Increased competition could adversely affect the Company's ability to attract necessary capital funding, to acquire it on acceptable terms, or to acquire suitable properties or prospects for mineral exploration in the future. As a result of this competition, the Company may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

In addition, there is no assurance that a ready market will exist for the sale of commercial quantities of ore. Factors beyond the control of the Company may affect the marketability of any substances discovered. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital or losing its investment capital.

#### *Risks related to International Activities*

A material portion of the business of the Company may become located outside of North America. The Company's international operations may be adversely affected by political or economic developments or social instability, which will not be within the Company's control, including, among other things, the risks of political unrest, labour disputes and unrest, war, terrorism, abduction, expropriation, nationalization, renegotiation or nullification of existing concessions, contracts and permits, government regulation, delays in obtaining or renewing or the inability to obtain or renew necessary permits, taxation policies, economic sanctions, fluctuating exchange rates, currency controls, high rates of inflation, limitations on foreign ownership and increased financing costs. The occurrence of any such events could have a material adverse effect on the Company's business and results of operations as currently contemplated.

It may also be difficult for the Company to find and hire qualified people in the mining industry who are situated in outside of North America or to obtain all of the necessary services or expertise outside of North America or to conduct operations on the Company's projects at reasonable rates. If qualified people and services or expertise cannot be obtained outside of North America, the Company may need to seek and obtain those services from people located outside of these areas, which will require work permits and compliance with applicable laws and could result in delays and higher costs to conduct the Company's operations.

#### *Corruption and Bribery Risk*

The Company's operations are governed by, and involve interactions with, many levels of government. Like most companies, the Company is required to comply with anti-corruption and anti-bribery laws, including the Canadian *Corruption of Foreign Public Officials Act*. In recent years, there has been a general increase in both the frequency

of enforcement and severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its third party agents. Although the Company takes steps to mitigate such risks, such measures are not always effective in ensuring that the Company, its employees or third party agents will comply strictly with such laws. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company resulting in a material adverse effect on the Company's reputation and results of operations.

#### *Risks Associated with Joint Venture Agreements*

Pursuant to agreements the Company may enter into in the course of its business, the Company's interest in its properties may become subject to the risks normally associated with the conduct of joint ventures. In the event that any of the Company's properties become subject to a joint venture, the existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on the Company's profitability or the viability of its interests held through joint ventures, which could have a material adverse impact on the Company's business prospects, results of operations and financial condition: (i) disagreements with joint venture partners on how to conduct exploration; (ii) inability of joint venture partners to meet their obligations to the joint venture or third parties; and (iii) disputes or litigation between joint venture partners regarding budgets, development activities, reporting requirements and other joint venture matters.

#### *Reliance on Key Individuals*

The Company's success depends on its ability to attract and retain the services of key personnel who are qualified and experienced. In particular, the success of the Company is, and will continue to be to a significant extent, dependent on the expertise and experience of the Company's directors and senior management. It is expected that these individuals will be a significant factor in the Company's growth and success. The loss of the service of these individuals could have a material adverse effect on the Company.

The resource industry is largely driven by fluctuations in commodity prices which, when high, can lead to a large number of projects being developed which in turn increases the demand for skilled personnel, contractors, material and supplies. Accordingly, there is a risk to the Company of losing or being unable to secure enough suitable key personnel or key resources and, as a result, being exposed to increased capital and operating costs and delays, which may in turn adversely affect the development of the Company's projects, the results of operations and the Company's financial condition and prospectus.

#### *Commodity Prices*

The price of the Common Shares and the Company's financial results may be significantly adversely affected by a decline in the price of metals. The price of metal commodities fluctuates widely, especially in recent years, and is affected by numerous factors beyond the Company's control such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major metal-producing countries throughout the world.

#### *Dividend Policy*

No dividends on the Common Shares have been paid by the Company to date. The Company anticipates that it will retain all earnings and other cash resources for the foreseeable future for the operation and development of its business. The Company does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the Company's Board of Directors after taking into account many factors, including the Company's operating results, financial condition and current and anticipated cash needs.

#### *Conflicts of Interest*

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration, development and mining operations and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors

and officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the *Business Corporations Act* (British Columbia) and other applicable laws.

#### *Exploration, Development and Operating Risks*

Mining operations generally involve a high degree of risk. Any potential mining operations of the Company will be subject to all the hazards and risks normally encountered in the exploration, development and production of metals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding, fire, environmental hazards and the discharge of toxic chemicals, explosions and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of mines and other producing facilities, damage to property, injury or loss of life, environmental damage, work stoppages, delays in production, increased production costs and possible legal liability. Milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability. Although the Company believes that appropriate precautions to minimize risks are taken, these risks cannot be eliminated.

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned or other mining operations in which the Company may acquire an interest will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, including among other things: the interpretation of geological data obtained from drill holes and other sampling techniques, the particular attributes of the deposit, such as size, grade and proximity to infrastructure and labour; metal prices which are highly cyclical; government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection; and political stability. The Company's development projects are also subject to the issuance of necessary permits and other governmental approvals and receipt of adequate financing. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may adversely affect the Company's business.

#### *Exploration Costs*

The estimates of costs to conduct further exploration work by the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realized in practice, which may materially and adversely affect the Company's viability.

#### *Environmental Regulation, Risks and Hazards*

All phases of mining operations are subject to environmental regulation in the jurisdictions in which they operate. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Compliance with changing environmental laws and regulations may require significant capital outlays, including obtaining additional permits, and may cause material changes or delays in, or the cancellation of, the Company's exploration programs or current operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's mining operations.

Furthermore, environmental hazards may exist on the properties on which the owners or operators of mining operations hold interests which are unknown to such owners or operators at present and which have been caused by previous or existing owners or operators of the properties.

Government approvals and permits are currently, and may in the future be, required in connection with mining operations at the properties. To the extent such approvals are required and not obtained, mining operations may be curtailed or prohibited from continuing operations or from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. The occurrence of any environmental violation or enforcement action may have an adverse impact on the Company's operations and reputation.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on mining operations and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

#### *Governmental Regulation*

Mining operations and exploration activities are subject to extensive laws and regulations governing exploration, development, production, exports, taxes, labour standards, waste disposal, protection and remediation of the environment, reclamation, historic and cultural resources preservation, mine safety and occupation health, handling, storage and transportation of hazardous substances and other matters. The costs of discovering, evaluating, planning, designing, developing, constructing, operating, and other facilities in compliance with such laws and regulations are significant. It is possible that the costs and delays associated with compliance with such laws and regulations could become such that the owners or operators of mining operations would not proceed with the development of or continue to operate a mine. As part of their normal course operating, and development activities, such owners or operators have expended significant resources, both financial and managerial, to comply with governmental and environmental regulations and permitting requirements, and will continue to do so in the future. Moreover, it is possible that future regulatory developments, such as increasingly strict environmental protection laws, regulations and enforcement policies thereunder, and claims for damages to property and persons resulting from mining operations could result in substantial costs and liabilities in the future.

#### *Permitting*

Mining operations are subject to receiving and maintaining permits from appropriate governmental authorities. It can be time-consuming and costly to obtain, maintain and renew permits. In addition, permit terms and conditions can impose restrictions on how the Company conducts its operations and limit the Company's flexibility in development its mineral properties. Prior to any development on the Company's properties, permits from appropriate governmental authorities may be required. Permits required for the Company's operations may not be issued, maintained or renewed in a timely fashion or at all, may not be issued or renewed upon conditions that restrict the Company's ability to conduct the Company's operations economically, or may be subsequently revoke. Any such failure to obtain, maintain or renew permits, or other permitting delays or conditions could have a material adverse effect on the Company's business, results of operations, financial condition and prospectus.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

#### *Infrastructure*

Mining, processing, development and exploration activities depend, to one degree or another, on adequate

infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect operations at the Company's properties.

#### *Exploration and Geological Report*

The reported results in the technical reports filed in respect of the Company's properties are estimates only. No assurance can be given that the estimated mineralization will be recovered. The reported results are based on limited sampling, and, consequently, are uncertain because the samples may not be representative. Estimates may require revision (either up or down) based on actual production experience. If the Company encounters mineralization or geological formations different from those predicted by past drilling, sampling and interpretations, any estimates may need to be altered in a way that could adversely affect the Company's operations or proposed operations. In addition, market fluctuations in the price of metals, as well as increased production costs or reduced recovery rates, may render certain minerals uneconomic.

#### *Land Title*

No assurances can be given that there are no title defects affecting the Company's properties. The Company's properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects.

#### *Commodity Price Fluctuations*

The price of metals has fluctuated widely in recent years, and future serious price declines could cause continued development of and commercial production from the Company's properties to be impracticable. Future cash flows may not be sufficient and the Company could be forced to discontinue production and may be forced to sell the properties. Future production by the Company is dependent on metal prices that are adequate to make this property economic.

In addition to adversely affecting the commercial production estimates and financial conditions, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

#### *Additional Capital*

Mining, processing, development and exploration may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on satisfactory terms.

#### *Foreign Exchange Rate Fluctuations*

Operations in Canada are subject to foreign currency exchange fluctuations. The Company raises its funds through equity issuances which are priced in Canadian dollars, and the majority of the exploration costs of the Company are denominated in Canadian Dollars. However, the Company may suffer losses if other foreign currencies are used for its expenditures.

### *Property Exploration and Development Risk*

The Company's properties are currently at the exploration stage of development. Exploration and development is subject to numerous risks, including, but not limited to, delays in obtaining equipment, material and services essential to developing the project in a timely manner; changes in environmental or other government regulations; currency exchange rates; labour shortages; and fluctuation in metal prices. There can be no assurance that the Company will have the financial, technical and operational resources to complete the exploration and development in accordance with current expectations or at all.

### *Insurance Risk*

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failure, cave-ins, mechanical failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, fires, floods and earthquakes. Such occurrences could result in damage, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, the Company's insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as loss of title to mineral property, environmental pollution, or other hazards as a result of exploration and production is not generally available to the Company or other companies in the mining industry on acceptable terms. The Company may also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect on our financial performance and results of operations.

### *Force Majeure*

The Company's projects now or in future may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

### **Forward-Looking Statements**

This MD&A includes certain statements that constitute "forward-looking statements", and "forward-looking information" within the meaning of applicable securities laws ("forward-looking statements" and "forward-looking information" are collectively referred to as "forward-looking statements", unless otherwise stated). These statements appear in a number of places in this MD&A and include statements regarding our intent, or the beliefs or current expectations of our officers and directors. Such forward-looking statements involve known and unknown risks and uncertainties that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this MD&A, words such as "believe", "anticipate", "estimate", "project", "intend", "expect", "may", "will", "plan", "should", "would", "contemplate", "possible", "attempts", "seeks" and similar expressions are intended to identify these forward-looking statements. Forward-looking statements may relate to the Company's future outlook and anticipated events or results and may include statements regarding the Company's uranium mineral interest in the Athabasca Basin and various other commodity mineral interests and the Company's future financial position, business strategy, budgets, litigation, projected costs, financial results, taxes, plans and objectives. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends affecting the financial condition of our business. These forward-looking statements were derived utilizing numerous assumptions regarding expected growth, results of operations, performance and business prospects and opportunities that could cause our actual results to differ materially from those in the forward-looking statements. While the Company considers these assumptions to be reasonable, based on information currently available, they may prove to be incorrect. Accordingly, you are cautioned not to put undue reliance on these forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results. To the extent any forward-looking statements constitute future-oriented financial information or financial outlooks, as those

terms are defined under applicable Canadian securities laws, such statements are being provided to describe the current anticipated potential of the Company and readers are cautioned that these statements may not be appropriate for any other purpose, including investment decisions. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. To the extent any forward-looking statements constitute future-oriented financial information or financial outlooks, as those terms are defined under applicable Canadian securities laws, such statements are being provided to describe the current anticipated potential of the Company and readers are cautioned that these statements may not be appropriate for any other purpose, including investment decisions. Forward-looking statements speak only as of the date those statements are made. Except as required by applicable law, we assume no obligation to update or to publicly announce the results of any change to any forward-looking statement contained or incorporated by reference herein to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements. If we update any one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements. You should not place undue importance on forward-looking statements and should not rely upon these statements as of any other date. All forward-looking statements contained in this MD&A are expressly qualified in their entirety by this cautionary statement.

## **DIRECTORS AND OFFICERS**

As at May 25, 2017, the Company had the following directors and officers:

Warren Stanyer – Director and Chairman\*  
Sierd Eriks – President and CEO  
Jody Dahrouge – Director\*  
David Miller – Director  
Steven Khan – Director  
Howard Haugom – Director\*  
Roger Leschuk – Vice-President, Corporate Development  
Patrick Groening – CFO  
Christina Boddy – Corporate Secretary

\* Member of the Company's Audit Committee

## **APPROVAL**

The Board of Directors of ALX Uranium Corp. has approved the disclosure contained in this MD&A.

## **Additional Information**

Additional information about the Company can be found at the Company's website at [www.alxuranium.com](http://www.alxuranium.com), or on [www.sedar.com](http://www.sedar.com).